

LOUISVILLE METRO COUNCIL COMMITTEE MINUTES

Labor/Economic Development
Thursday, April 16, 2009
3:05 P.M.
Third Floor, City Hall

Present:
Chair: CM Butler
Vice Chair: CM Peden
Members: CM Engel, CM Owen and CM King

Also Present: CM Heiner, CM Fleming, CM Downard, President Tandy and CM Henderson

Chairwoman Butler announced the members and non-members of the committee that were present. A quorum was established.

AGENDA

[R-54-04-09 A RESOLUTION DETERMINING THREE \(3\) VACANT PARCELS OF REAL PROPERTY LOCATED AT 948 S. JACKSON STREET, 418 CALDWELL STREET AND 420 CALDWELL STREET OWNED BY LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT \("METRO GOVERNMENT"\) AS SURPLUS AND NO LONGER NEEDED FOR A GOVERNMENTAL PURPOSE AND AUTHORIZING THEIR TRANSFER.](#)

Status: In-Committee
Committee: Labor & Economic Development
Primary Sponsor: David Tandy

Motion to approve made by Robin Engel and seconded by Jim King.

Discussion: Judy Hettich, Property & Leasing Supervisor Public Works & Assets, stated the three parcels are located in the Smoketown/Shelby Park Neighborhood. They were conveyed to Mount Olive Baptist Church for their facility/campus expansion project.

This item was sent to the **Consent Calendar**.

[R-56-04-09 A RESOLUTION AUTHORIZING THE RELEASE OF CERTAIN MORTGAGES HELD BY LOUISVILLE METRO ON THE PHOENIX HILL APARTMENTS PROJECT.](#)

Status: In-Committee
Committee: Labor & Economic Development
Primary Sponsor: David Tandy

Motion to approve made by Robin Engel and seconded by Tom Owen.

Discussion: Bruce Traughber, Director of Economic Development, stated the City of Louisville entered into an agreement to assist in the development of apartment housing in the Phoenix Hill area about 25 years ago. They have served their purpose in stabilizing the neighborhood and house many students/resident doctors at the University of Louisville Medical Campus. The present capital structure that encumbers the housing has created a situation, which the current owners cannot afford to continue the investments needed in upgrading and improving the apartments. The developers had approached Metro Louisville asking if the government had any interest in buying the apartments or if there were any other interested parties to purchase the 13 acre development. University of Louisville Foundation showed interest in the control of the development to house interns and residents for the medical campus, or potential use to expand the campus for classrooms or laboratories. In order to make it work, Metro Louisville would need to forgive a portion of the \$8 million mortgage. If so, the return would be approximately \$1.2million; half would be considered Community Development Block income and the other half would be returned to the General Fund. This was considered to be a generational opportunity for the City in the Medical Industry and would continue the initial purpose for which the project was founded.

Steve Stogel, a partner in the deal & financial advisor, gave an overview to the financial aspect of the discussion. A PowerPoint presentation was given. (attached) The following was discussed:

- Present value calculation
- Need for Financial Impact Statement
- Tax Liability
- Need for Independent Appraisal
- Time Sensitivity

The committee decided to have a special meeting in order to review this item further.(April 22, 2009)

Motion to table made by Robin Engel and seconded by James Peden. By voice vote, the item was **TABLED**.

[O-32- 02-09 AN ORDINANCE ENACTING A NEW SECTION OF CHAPTER 37 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES \[LMCO\] TO ESTABLISH LABOR STANDARDS FOR PUBLIC PROJECTS FUNDED WITH PUBLIC FUNDS OR PRIVATE ACTIVITY PROJECTS RECEIVING PUBLIC SUPPORT THROUGH TAX INCREMENT FINANCING, GENERAL OBLIGATION BONDS, DIRECT PAYMENTS, PROPERTY TAX ABATEMENTS, \(THE USE OF PUBLIC FUNDS, TAX SUBSIDIES, TAX CREDITS, TAX REBATES, PUBLIC/PRIVATE PARTNERSHIPS\), ACCESS TO PUBLIC ASSETS OR ASSISTANCE PROVIDED BY PUBLIC AGENCIES \[AS AMENDED\]](#)

Status: In Committee - Tabled
Committee: Labor & Economic Development
Primary Sponsor:
Jim King
Rick Blackwell
Additional Sponsor:
Dan Johnson
Mary C. Woolridge
Vicki Aubrey Welch

Motion to untable made by Jim King and seconded by James Peden; without objection the item was untabled and discussion occurred.

Discussion: CM King presented some amendments, they are:

- Page 1 - **WHEREAS**, Metro Louisville has a well trained, highly educated, diverse, work force, and
- Page 2 - **WHEREAS**, it is the will of the Metro Council that any public or private activity construction projects in Metro Louisville that receive substantial public funds or public tax subsidies such as ~~tax credits~~ or ~~tax rebates~~, **increment financing, general obligation bonds or property tax abatements**, or that receive access to public assets or public assistance in any form (subsidized projects) provide opportunities for local contractors and local labor, and
- Page 2 - **WHEREAS**, it is the will of the Metro Council that any subsidized construction projects in Metro Louisville provide opportunities for minority ~~owned~~ and ~~women-owned~~ female members of the workforce businesses based in Metro Louisville, and
- Page 2 - **WHEREAS**, it is the will of the Metro Council that ~~any union and non-union~~ **all** labor employed on subsidized construction projects receive a competitive package of wages, benefits and training,
- Page 3 - **PUBLICLY FUNDED OR SUBSIDIZED PROJECTS**

- Page 3 - ***CERTIFIED FEMALE OWNED BUSINESS***: A business enterprise legally constituted under the laws of the state, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, which enterprise is not an affiliate or a subsidiary of a business dominant in its field of operation and has employees identified in its own payroll records, working specifically for such entity and which entity is majority owned and controlled by a person or a combination of persons who are female and legal residents of the United States. **A female owned business enterprise shall be certified through the Women Business Enterprise National Council (WBENC), the Metropolitan Sewer District (MSD), or a sworn affidavit establishing the company to be female owned.**
- Page 3 - ***LOUISVILLE METROPOLITAN STATISTICAL AREA (MSA)***: As defined by the United States Census Bureau **(currently comprising a 13 county area).**
- Page 4 - ***CERTIFIED MINORITY OWNED BUSINESS***: A business enterprise legally constituted under the laws of the state, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, which enterprise is not an affiliate or a subsidiary of a business dominant in its field of operation and has employees identified in its own payroll records, working specifically for such entity and which entity is majority owned and controlled by a person or a combination of persons who are minorities and legal residents of the United States. **A minority owned business enterprise shall be certified through the Kentucky Minority Business Council, the Metropolitan Sewer District, or a sworn affidavit establishing the company to be minority-owned.**
- Page 4, 5 & 6- ***PREVAILING WAGE***: The wages **and benefits** typically paid for services rendered by any particular profession or trade **as defined in LMCO Section 37.12** **as determined pursuant to KRS 337.505 (1) and KRS 337.520 (3)(a),(b),(c) to wit:**
 - **KRS 337.505 (1) The basic hourly rate paid or being paid subsequent to the executive director's most recent wage determination to the majority of laborers, workmen, and mechanics employed in each classification of construction upon reasonably comparable construction in the locality where the work is to be performed (Louisville/Jefferson County); such rate shall be determined by the executive director in accordance with paragraphs (a), (b), and (c) of subsection (3) of KRS 337.520; in the event that there is not a majority paid at the same rate, then the basic hourly rate of pay shall be the average basic hourly rate which shall be determined by adding the basic hourly rates paid to all workers in the classification and dividing by the total number of such workers.**

- KRS 337.520 (3) The executive director shall have the authority to determine schedules and current revisions of the rates of prevailing wages as defined in KRS 337.505 but in no case shall the executive director determine wages to paid for a legal day's work to laborers, workmen and mechanics engaged in the construction of public works at less than the prevailing wages paid in the localities (Louisville/Jefferson County). The executive director, in determining what rates of wages prevail, shall consider the following criteria:
 - (a) Wage rates paid on previous public works constructed in the localities (Louisville/Jefferson County). In considering the rates, the executive director shall ascertain, insofar as practicable, the names and addresses of the contractors, including subcontractors, the location, approximate costs, dates of construction and types of projects, the number of workers employed on each project, and the respective wage rates paid each worker who was engaged in the construction of these projects.
 - (b) Wage rates previously paid on reasonably comparable private construction projects constructed in the localities (Louisville/Jefferson County). In considering the rates the executive director shall ascertain, insofar as practicable, the names and addresses of the contractors, including subcontractors, the location, approximate costs, dates of construction and types of projects, the number of workers employed on each project, and the respective wage rates paid each worker who was engaged in the construction of these projects.
 - (c) Collective bargaining agreements or understandings between bona fide organizations of labor and their employers located in the Commonwealth of Kentucky which agreements apply or pertain to the localities (Louisville/Jefferson County) in which the public works are to be constructed.
- Page 7 - a. The payment of prevailing wages **and benefits**, as established for each profession or trade used on the project pursuant to KRS 337.505 (1) and KRS 337.520 (3)(a),(b),(c) based on wage rates paid on previous public and private construction projects as submitted from time to time to the Kentucky Department of Labor by contractors and subcontractors operating in Louisville/Jefferson County. A contractor's failure to meet the prevailing wage standard will result in a 20% reduction in the contractor's public bid reviews for a period of one year following completion of the subject project. A contractor or subcontractor seeking the award of

a public project shall not have been cited found by the Kentucky Labor Cabinet to have been in for violation of the Prevailing Wage laws twice within a the previous three [3] year period.

- Page 8 & 9 - b. A **measurable and documented** goal of at least 20% minority participation, including **minorities and certified** minority owned businesses, for all employees and contractors on the project. **Failure to meet this goal shall result in a 20% reduction in the contractor's future public bid reviews for a period of one year following completion of the subject property. Contractors exceeding this goal shall be afforded a 10% increase in its public bid reviews until the contractor is awarded another public project.**
- c. A **measurable and documented** goal of at least 5% women participation, including **females and certified** female owned businesses, for employees and contractors on the project. **Failure to meet this goal shall result in a 20% reduction in the contractor's future public bid reviews for a period of one year following completion of the subject project. Contractors exceeding this goal shall be afforded a 10% increase in their public bid reviews until the contractor is awarded another public project.**
- e. A **measurable and documented** goal that at least 75% of Project jobs are given to ~~Kentucky and Indiana~~ residents of the Louisville MSA. **Failure to meet this goal shall result in a 20% reduction in the contractor's future public bid reviews for a period of one year following completion of the subject project. Contractors exceeding this goal shall be afforded a 10% increase in their public bid reviews until the contractor is awarded another public project.**
- ~~g.f.~~ Participation by all project contractors in formal training programs (recognized by the US Department of Labor and/or State accrediting organizations) for employees in their respective professions or trades. **Contractors whose employees participate in formal training programs in their respective professions or trades recognized by the US Department of Labor or the Kentucky Labor Cabinet shall be afforded a 10% increase in public bid reviews.**
- ~~k.j.~~ **All contractors shall be in** Compliance with all rules, regulations, and requirements of the Procurement Code as adopted by Metro Government.
- Page 11 & 12 - (4) While the foregoing guidelines on the utilization of minorities, **certified** minority owned businesses, females, **certified** female owned businesses, and utilization of residents as employees and contractors are recommended goals, failure to meet such goals will not result in

disqualification from participation in the receipt of particular funds or incentives. Developers, contractors, and subcontractors **however**, ~~however, will be expected to~~ **must** provide sworn affidavits written reports to the Executive Director of the Human Relations Commission describing ~~of~~ efforts they have made **to achieve the goals established by this ordinance to** utilize **as subcontractors or employees**; minorities, **certified** minority owned businesses, females, **certified** female owned businesses, and local residents. **Reference is made to Section B (a), (b), (c) and (e) above for incentives earned when a contractor exceeds the stated goals.**

- **D. PENALTIES** Any appropriation or subsidy covered by this section shall be subject to revocation by a public contracting authority in the event of non-performance of the requirements of this section by a recipient of appropriations or subsidies covered by this section. **Reference is made to Section B (a), (b), (c) and (e) above for disincentives pertaining to a contractor's failure to achieve the stated goals.**
- **SECTION II: EFFECTIVE DATE** This ordinance shall take effect upon its passage and approval. **This ordinance shall pertain to construction project agreements established after the effective date.**

Motion to table made by Jim King and seconded by James Peden; without objection, the item was **TABLED**.

[../..../agdocs.aspx?doctype=minutes&itemid=14891R-18-01-09](http://.../agdocs.aspx?doctype=minutes&itemid=14891R-18-01-09) A RESOLUTION REQUESTING THE JEFFERSON COUNTY ATTORNEY'S OFFICE TO INFORM THE LOUISVILLE METRO COUNCIL ("COUNCIL") ON THE LEGAL EFFECTS THE LIEN FILINGS REGARDING THE MUSEUM PLAZA PROJECT ("PROJECT") HAVE ON LOUISVILLE METRO GOVERNMENT ("METRO") AND ITS PROPERTY AND URGING THE MAYOR TO ASK THE DEVELOPER TO PROVIDE A STATUS REPORT ON THE DEVELOPER'S OBLIGATIONS WITH RESPECT TO THE PROJECT AS SET FORTH IN THE DEVELOPMENT AGREEMENT ("AGREEMENT") AND TO REQUEST THE DEVELOPER REMOVE THE LIEN FILINGS ON THE PROPERTY OWNED BY METRO GOVERNMENT AND AFFILIATED ORGANIZATIONS.

Status: In Committee - Tabled
Committee: Labor & Economic Development
Primary Sponsor: Hal Heiner

Motion to untable made by Robin Engel and seconded by Tom Owen; without objection the item was untabled and discussion occurred.

Discussion: CM Heiner stated there were three goals of the resolution. The first being to receive an update on the project, which was received by the developer reaffirming their interest in the project and also interest in getting the liens removed. The second goal was to understand from the County Attorney any potential liability Metro Louisville may have on the project. The third was the opening of River Road and Rick Storm with Public Works & Assets read a report to the committee in regards to River Road. He stated Public Works and the Developer have met and there will be a connection provided from 8th and Main Streets to 7th Street at the River and provide a two-way traffic connection. However, due to the flood wall, large trucks will be prohibited. The Developer has agreed to clean up the area and the next week, Public Works will provide stripping, signage and functioning traffic signal. This should be re-opened by the Derby.

CM Heiner stated with these reports, the goals have been satisfied and removed his sponsorship from the Resolution. **THE RESOLUTION DIED IN COMMITTEE.**

[O-6-01-09 AN ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON NEW DEVELOPMENTS WHICH INCLUDE THE RETAIL SALES OF GASOLINE.](#)

Status: In Committee - Held
Committee: Labor & Economic Development
Primary Sponsor: Dan Johnson

The item **REMAINED HELD IN COMMITTEE.**

SPECIAL NOTE: Chair Marianne Butler mentioned there would be a Special Meeting of the Labor and Economic Development committee; date and time to be determined and announced.

Without objection the meeting adjourned at 4:10 P.M.

***NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the Metro Council Meeting on April 23, 2009.**
KLP